

Environmental Social and Governance Reporting Used Lead Acid Batteries (ULAB)



Mark Rittmayer
Director

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Prepared by: CSC Asia Pacific Ltd
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What is Environmental, Social and Governance (ESG) Reporting

The Environmental, Social And Governance reporting (ESG) as related to HK public companies, is a set of standards for a company's operations that socially conscious investors use to screen investments.

Environmental criteria looks at how a company performs as a steward of the natural environment.

Social criteria examines how a company manages relationships with its employees, suppliers, customers and the communities where it operates.

Governance deals with a company's leadership, executive pay, audits and internal controls, and shareholder rights. Investors who want to purchase securities that have been screened for ESG criteria can do so through socially responsible mutual funds and exchange-traded funds.



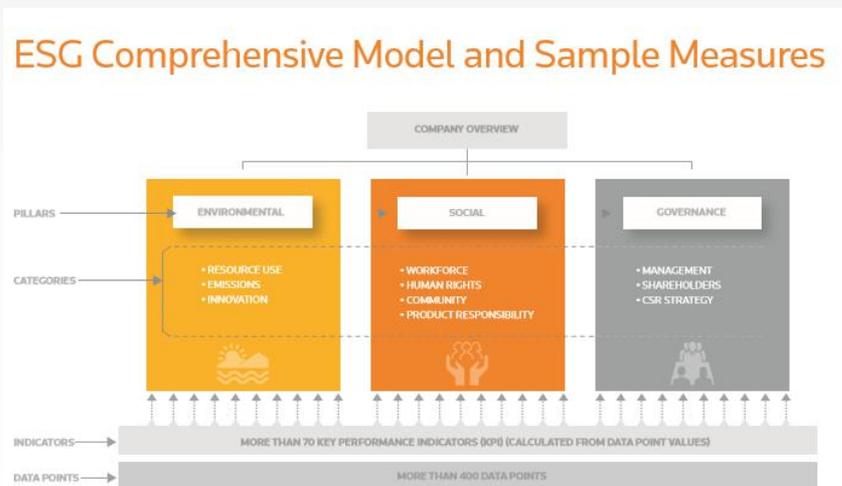
What is Environmental, Social And Governance (ESG) Reporting

Environmental criteria are used to report a company's energy use, waste, pollution, natural resource conservation and animal treatment. They also evaluate which environmental risks might affect a company's income and how the company is managing those risks. For example, a company might face environmental risks related to its ownership of contaminated land, an oil spill it was responsible for, its disposal of hazardous waste, its management of toxic emissions or its compliance with the government's environmental regulations.

Social criteria reports the company's business relationships and structure both internal and external.

- Does it work with suppliers that hold the same values that the company itself claims to hold?
- Does the company donate a percentage of its profits to the community or perform volunteer work?
- Do the company's working conditions show a high regard for its employees' health and safety?
- Are stakeholders' interests taken into consideration?

Governance, investors want to know that a company uses accurate and transparent accounting methods, and they want to see that common stockholders are allowed to vote on important issues. They also want companies to avoid conflicts of interest in their choice of board members. Finally, they prefer not to invest in companies that engage in illegal behavior or use political contributions to obtain favorable treatment.



ESG Reporting in Hong Kong Hong Kong Companies Ordinance

The Companies Ordinance in Hong Kong was revised in 2014. According to Schedule 5 of the ordinance relating to the “Contents of Directors’ Report: Business Review,” such report must now contain a discussion on:

1. The company’s environmental policies and performance;
2. The company’s compliance with the relevant laws and regulations that have a significant impact on the company;
3. An account of the company’s key relationships with its employees, customers and suppliers and others that have a significant impact on the company and on which the company’s success depends.
4. All companies incorporated in Hong Kong are required to follow the above disclosure requirements unless they are exempted.





ESG Reporting in Hong Kong Hong Kong Exchange

HKEx Listing Rules

In 2015, HKEx has introduced disclosure requirements in Appendix 16 of the Listing Rules.

These are similar to the above new disclosure requirements of the ordinance to be effective from January, 2017 onward for all the listed companies.

Information required to be in compliance with Stock Exchange of Hong Kong (HKEx) Appendix 27

ESG Reporting on hazardous waste is found under:

- KPI B1.3 Corporations disclosure to include total hazardous waste produced (in tonnes); and intensity.
- KPI B1.6 Description of the handling methods; reduction initiatives ; and the results by undertaking the recycling process.



Sustainable Development Reporting

Hong Kong Aircraft Engineering Company Limited (“HAECO Hong Kong”) 2016 Release



Table of Contents	2015 At a Glance	About this Report	Message from the CEO	About HAECO	Corporate Governance and Sustainability Management	Environment	Health and Safety	Employees	Business Partners	Community	Performance Data	Standard Disclosures & Performance Indicators	Verification Statement
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HAECO Sustainable Development Report 2015

Table 2 – Environmental Performance

	unit	HAECO	HAECO	HAESL	TEXL	HAECO	HAECO	HAECO Group Total		
		Hong Kong	Xiamen			Spirit Aerosystems		Landing Gear	Americas	2015
Solid Waste Management										
Industrial/commercial waste disposed of	kg	1,798,650	1,040,500	362,300	225,000	13,060	-	996,820	4,436,330	4,308,521
Grease trap waste disposed of	kg	168,000	8,640	80,040	-	384	-	-	257,064	289,978
Vehicle tyres disposed of	kg	46,609	437	-	-	-	-	11,730	58,776	51,545
Food waste recycled	kg	70,586	93,996	12,389	-	1,255	-	-	178,226	153,574
Paper/cardboard recycled	kg	37,851	54,892	10,027	-	747	-	170,386	273,903	293,710
Plastics recycled	kg	350	77,000	437	-	262	188	9,714	87,951	271,191
Metal recycled	kg	14,677	1,750	1,197	-	-	22,517	136,773	176,915	380,129
Printing cartridges recycled	No.	120	771	148	-	35	-	124	1,198	2,370
Hazardous Waste Management										
Solid chemical waste disposed	kg	221,087	436,968	9,858	4,050	6,770	-	62,119	740,853	594,029
Liquid chemical waste disposed	L	420,015	113,770	40,880	30,152	1,820	-	27,253	633,891	394,821
Significant chemicals/oil spills	No.	-	-	-	-	-	-	-	-	-
Compliance										
Significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No.	-	-	-	-	-	-	-	-	-



ESG Reporting - Thailand

6. Continuously Improving Information Disclosure



6.1 Requirement of information disclosure to encourage listed companies to continuously improve their CSR practices.

- Set 'step-up' targets to consistently raise the level of SD disclosure.
- Develop SD progress indicators to be included in the company profiles.
- Encourage listed companies to prepare annual report by integrating normal business operations and SD strategies.
- Consider the issuance of guidelines to account for social and environmental impact.



Stock Exchange of Thailand

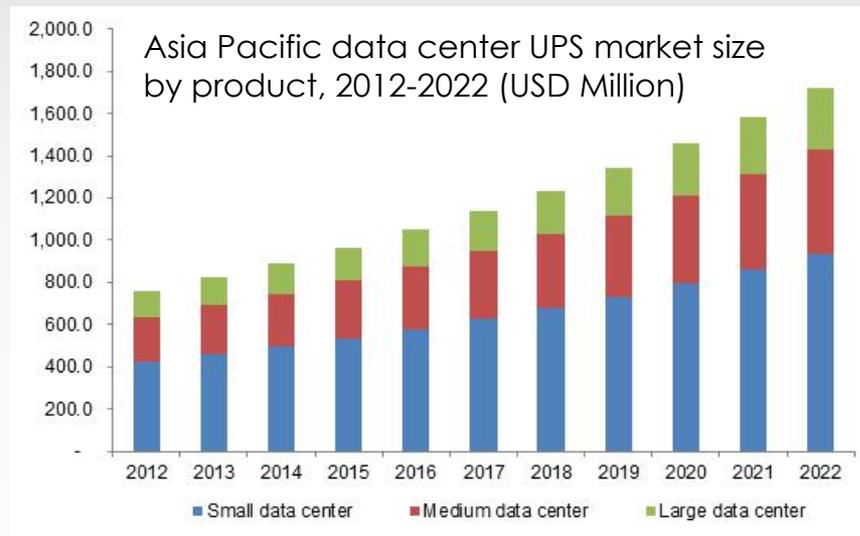
Exchange entity	Stock Exchange of Thailand (SET)
Conducts business in	Thailand
Number of listed companies (10/15, WFE)	634
Domestic market capitalization (in Millions USD, 10/15, WFE)	379,713
Has signed the SSE Commitment Letter?	Yes
Has prepared SSE Communication to Stakeholders?	Yes
Requires ESG reporting as a listing rule?	Yes; In Thailand, the Securities and Exchange Commission mandates sustainability reporting. Source, pg 43 (Download act here)
Offers written guidance on ESG reporting?	Yes <ul style="list-style-type: none"> ▪ Guidelines for Sustainability Reporting (in Thai) ▪ Apart from the publications, SET has produced newsletter 'SD Focus' as key communication channels between the Exchange and listed companies, to keep them abreast with the up-and-coming sustainability-related trends in the global business world. ▪ In addition, a series of other guidance documents can be found via the exchange's Social Responsibility Center (SR Center) and its Corporate Governance Center (CG Center) online.



The Future - Data Centers and ULAB's

Industry Analysis

Data center UPS market size is anticipated to surpass USD 6.5 billion by 2022, growing at a CAGR of 7.4% from 2015 to 2022. Increased adoption of cloud computing along with falling tolerance limits pertaining to data loss is likely to surge the demand growth from 2015 to 2022. Power outages could be costly; as even short outages might cause significant amount of damage.



Q& A

For further Information

Mark C Rittmayer
CPA CIA CISA PMP MiEthics
Director - CSC Asia Pacific Limited
mark.rittmayer@cscasiapacific.com
+852 6259 0476



Appendix - Hidden Slides



Hong Kong - ESG | CSR | GRC

How the terms are related to Corporate Governance

Appendix 27 - Environmental Social and Governance (ESG) Reporting

- ✓ 2015 - Voluntary
- ✓ 2016 - Comply or Explain
- ✓ 2017 - Comply + KPI requirements



The screenshot shows a video player for an HKEX training session. The video title is "Issuer Training on Environmental, Social and Governance Reporting Guide". The speaker is Ms. Monica Woll, Assistant Vice President, Policy and Secretariat Services Unit. The video content includes a "Background" section with a timeline of key events:

- 2011-2012: Consultation on ESG Guide
- 31 Dec 2012: Implementation of ESG Guide
- 2015: Consultation on Review of ESG Guide
- 1 Jan 2016: Rule changes, upgrade of 'General Disclosures' to 'comply or explain' and revised recommended disclosures effective
- 1 Jan 2017: Upgrade of Environmental KPIs to 'comply or explain' effective

Below the video, there is a text block titled "ESG Reporting: A step closer to transparent sustainable business".

ESG Reporting: A step closer to transparent sustainable business
Following a consultation with the market in 2015, the Stock Exchange of Hong Kong ('the Exchange') issued a revised version of Appendix 27 **Environmental, Social and Governance** ('ESG') Reporting Guide ('the Guide') in December 2015, that was partly effective for issuers on the Main Board¹ for accounting periods starting on or after 1 January 2016, and will become fully effective for accounting periods starting on or after 1 January 2017.

Providing **C**orporate **S**ocial **R**esponsibility (**CSR**) to the society, means to make a documented effort and promise to improve **G**overnance, **R**isk Management and **C**ompliance (**GRC**) defaults in the organisation and to do more than what it is expected of responsible companies for all stakeholders.



ESG Reporting uses - Global Growth 2014 -2016

2016 \$Bn	Europe	United States	Canada	Australia New Zealand	Asia ex Japan	Japan	Global
Negative/exclusionary screening	\$11,064.15	\$3,574.64	\$347.00	—	\$18.80	\$18.67	\$15,023.26
ESG integration	\$2,884.52	\$5,811.21	\$1,051.83	\$477.02	\$24.48	\$119.95	\$10,369.01
Corporate engagement and shareholder action	\$4,654.35	\$2,558.20	\$862.10	—	\$1.05	\$289.59	\$8,365.29
Norms-based screening	\$5,545.67	—	\$589.73	\$18.91	\$0.05	\$55.96	\$6,210.32
Positive/best-in-class-screening	\$537.78	\$246.79	\$219.27	—	\$1.38	\$25.07	\$1,030.29
Sustainability themed investing	\$158.32	\$73.27	\$67.10	\$17.03	\$6.25	\$8.60	\$330.56
Impact/community investing	\$107.18	\$123.40	\$6.65	\$2.72	\$0.06	\$7.96	\$247.96
Total	\$12,039.57	\$8,723.22	\$1,085.97	\$515.73	\$52.07	\$473.57	\$22,890.14
Growth 2014–2016	Europe	United States	Canada	Australia New Zealand	Asia ex Japan	Japan	Global
Negative/exclusionary screening	48.1%	-19.5%	194.4%	na	13.5%	na	24.7%
ESG integration	39.3%	22.6%	86.2%	269.7%	4.6%	na	37.7%
Corporate engagement and shareholder action	30.3%	49.1%	36.6%	na	-8.9%	na	41.3%
Norms-based screening	40.0%	na	43.7%	na	na	na	41.6%
Positive/best-in-class-screening	39.5%	-50.7%	10273.0%	na	-19.9%	na	15.7%
Sustainability themed investing	146.3%	144.2%	89.4%	340.6%	198.3%	374.3%	140.5%
Impact/community investing	385.1%	78.8%	123.2%	64.6%	na	54.1%	145.8%
Total	11.7%	32.7%	49.0%	247.5%	15.9%	6689.6%	25.2%

